

B.A. LEVEL ECONOMICS

PAPER-A

MICRO ECONOMICS & QUANTITATIVE METHODS FOR ECONOMICS

Note: Students will be required to attempt three questions from Section-1 and two questions from Section-11

Section-I

MICRO ECONOMICS

1. **Introduction**

Nature, Scope and Importance of Economics. Economic Analysis at Micro & Macro Level in an Economy.

2. **Theory of Consumer Behavior**

Utility & Indifference Curve Approach to the Consumer Behaviour, Consumer Equilibrium through both Approaches. Marginal Rate of Substitution, Price Effect, Income Effect, Substitution Effect, Giffen Paradox, Inferior Goods, Normal Goods. Derivations of Demand Curve.

3. **Elementary Theory of Demand and Supply**

Demand - Supply, Laws of Demand and Supply, Price Determination in the Market, Elasticity of Demand and Supply, Forms of Elasticity and its Measurement.

4. **Theory of Production**

Concept of factors of production. Production function, isoquants, iso-cost curves. Laws of returns and costs. Types of costs and revenues (Relationship among totals, averages and marginal). Marginal rate of technical substitution.

5. **Basic Concepts of Wage, Rent, Interest and Profit**

6. **Market Structure**

Types of markets and competitions. Price and Output determination under perfect competition (short and long run) and under imperfect competitions (Monopoly, Duopoly, oligopoly and Monopolistic competition). Problems of price discrimination

References

1. Samulson, Paul A. and Nordhaus, William, D. “Economic” McGraw Hill (Latest edition).
2. Lipsy, Richard G. “An Introduction to positive Economics” EL-BS, (Latest Edition).
3. Leftwich, Richard H. “The Price System and Resource Allocation” National Book Foundation (Latest Edition).
4. Ferguson, C.E. and Gould, J.P. “Microeconomic Theory” The Irwin Series in Economics (Latest Edition).
5. Wonnacott. Paul and Wonnacott Ronald “Economics” McGraw Hill (Latest Edition).
6. Khawaja, Abdul Haleem, “Economic Theory”; Khawaja Publishing House (Latest Edition).

Section-2

QUANTITATIVE METHODS FOR ECONOMICS

1. Significance

Importance of basic mathematical tools in Economics. Inter-Relationship between Economics, Statistics and Mathematics. Use of Mathematical and Statistical Methods in Economic Theory.

2. Variables and Functions

Definition of variables, variables and its different types (continuous, discontinuous, dependent and independent variables), function and their graphs.

3. Equations

Equations and Identities, Simple and simultaneous equations. Importance of unknowns, constants, parameters and coefficients. Linear and non-linear equations & their solutions.

4. Derivatives and its Applications

Concept of limits and continuity of a function, methods of finding the limit of a finding partial derivatives and differentials, Meaning of derivatives. The rules of derivative and its applications in Economics. Concept of maxima, minima, point of inflection and constrained optimization.

5. Central Tendencies & Dispersion

Calculation of average, mean, median, mode, quartiles, deciles, percentiles, range. Inter Quartile Range, its Co-efficient, deviation, standard deviation and Variance.

6. Index Numbers

Need for index numbers, method's for construction of index numbers, simple index numbers, weighted index numbers, Laspeare and paasche index numbers. Fisher ideal and Marshal Edgeworht index numbers.

The above all topics should be with reference to the applications in economics

Note: Students will attempt three questions out of six from Section-1 and Two questions out of four from Section-2.

References

1. Mirza, M.D. "Basic tools of Mathematical Economics" Carvan Book House, (Latest edition).
2. Chaudhry, Sher M. and Kamal, Shahid. "Introduction to statistical theory, Part I and II, Ilmi Kitab Khana (latest edition).
3. Walpole, Ronald E. "Introduction to Statistics" MacMillan Publishing Co., (latest edition).
4. Akram, S.M. "Mathematics for Economists" Ilmi Kitab Khan 1983.
5. Hussain, S.M. Ahsan, "Mathematics for the students of Economics", Kifayat Academy, 2000.
6. Hussain, S.M. "Tools of Statistical Analysis", Kifayat Academy 2000.

PAPER-B

MACRO ECONOMICS & ECONOMIC DEVELOPMENT OF PAKISTAN

Note: Students will be required to attempt Three questions from Section-1 and Two questions from Section-11

Section-1

MACRO ECONOMICS

1. National Income and its Measurement

Introduction & Definition of Macro Economics, variables and their mutual relationship, Concepts of national income GDP, GNP, NNP, Disposable income. Three methods of computing national income, GNP at factor cost and GNP at market price.

2. Determination of National Income and Employment

Classical and Keynesian: Keynes' Consumption function. Saving and Investment function. Marginal efficiency of capital and rate of interest. Equilibrium level of national income, saving and investment identity, Inflationary and deflationary gaps. Concept of IS and LM curves and their Determinants, Classical and Keynesian theory of employment.

3. National Income Fluctuations

Concepts and application of Multiplier and Accelerator principle, and their interactive role in business fluctuations. Features and remedies for business cycles.

4. Monetary Policy

Functions of money, Commercial Bank and credit creation. Central Banks functions, Monetary policy, its objectives and tools. Impact of Monetary policy upon C, I, & G. Inflation and stagflation, LM curve.

5. **Fiscal Policy**

Fiscal policy; meaning its objective and tools, Public expenditure, taxes - its types and principles, National debt and income determination. Deficit budget and its role in inflation.

6. **International Trade**

Role of international trade in effecting national income. Classical (absolute, comparative advantage, factors proportion theory of International Trade). Balance of Trade. Balance of Payments, Terms of Trade and adversity. Dumping, Exchange rate determination. Causes and remedies of deficit in Balance of Payments. Role of IMF, World Bank and WTO.

References

1. Shapiro, Edward, "Macro Economic Analysis" Galgotia Publications (Latest Edition).
2. Dornbusch, R. and Fischer, S. "Macro Economics" McGraw Hill, International (Latest Edition).
3. Mankiw, N.Gregory, "Macro Economics", Worth Publisher (latest Edition)
4. Hyman, David, N. "Macro Economics", Irwin (Latest Edition).
5. Froyen, Richard, T. "Macro Economics, Theories and Policies" Prentice Hall (Latest Edition).
6. Abel, Andrew, B. and Bernanke, Ben S. "Macroeconomics" Addison Wesley Longman, Inc. International Student Edition (Latest)

Section-11

ECONOMIC DEVELOPMENT OF PAKISTAN

1. **Concept of Economic Development and its Measurement**

Definition and Characteristics of a developed country versus those of a developing country. Economic development and its measurement.

2. **Determinants of Economic Development**

Role of natural, human and capital resources in promoting economic development, Importance and problems of agriculture, industry, human-capital, transport and communications in the economy of Pakistan, solution and government policies in these spheres.

3. **Economic Planning in Theory and Practice**

Need for economic planning and its objectives. Types of economic planning. Key decisions in formulating a five year plan and review of latest 5 year plan.

4. **Fiscal Policy in Pakistan**

Sources of public revenues for the federal and provincial government and heads of expenditure. Budget formulation and latest budget.

5. **Banking in Pakistan**

Role of Commercial and State Bank in mobilizing and utilizing capital resources in Pakistan. Growth of banking as an industry, nationalization and privatization of Banks in the country. Role of money and monetary policy in expanding economic growth in Pakistan, Inflation: causes and remedies.

6. **International Trade and Economic Development**

Role of International Trade in the economic development of Pakistan, Export promotion measures and import - substitution policy of the government and their results. Role of remittances and foreign aid in Economic growth of Pakistan.

References

1. Zaidi, S. Akbar "*Issues in Pakistan's Economy*" Oxford University Press (Latest edition).
2. Saeed; Kh. Amjad "*The Economy of Pakistan*". New Fine Printing Press Lahore. (Latest edition).
3. Ahmad, Viqar, and Amjad, Rashid "*The Management of Pakistan's Economy*" Oxford University Press (1984).
4. *Economic Survey of Pakistan*, Published by Govt: of Pakistan (Latest edition).